

## Message Text

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ACTION EB-07

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-07 EUR-12 NEA-10

IO-13 OIC-02 AGRE-00 USIE-00 CIAE-00 COME-00

INR-07 LAB-04 NSAE-00 EPG-02 SP-02 STR-04 TRSE-00

FRB-03 OMB-01 INRE-00 L-03 ITC-01 SSO-00 /099 W

-----102059 181704Z /46

O R 181627Z JUL 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 6211

INFO AMEMBASSY BRUSSELS

AMEMBASSY MANILA

AMEMBASSY TOKYO

AMEMBASSY BANGKOK

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CAIRO

AMEMBASSY CANBERRA

AMCONSUL DURBAN

AMEMBASSY GEORGETOWN

AMEMBASSY GUATEMALA

USMISSION GENEVA

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PORT LOUIS

AMEMBASSY PRETORIA

AMCONSUL RIO DE JANEIRO

AMEMBASSY SANTO DOMINGO

AMEMBASSY SUVA

AMEMBASSY MBABANE

AMEMBASSY MEXICO

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USOECD

USEEC

FOR: EB/TRP: MR. O'DONNELL

E.O. 11652: N/A

TAGS: EPAP, ETRD, ISO

SUBJECT: SUGAR -- CONVERSATION WITH ARGENTINE REPRE-

SENTATIVE ON US STOCK PROPOSAL

REF: LONDON 11562

1. EMBASSY COMMODITY OFFICER DISCUSSED US SUGAR STOCKING PORPOSAL IN SOME DETAIL WITH ARGENTINE EMBASSY COUNSELLOR ANTONIO SEWARD ON JULY 15. SEWARD WILL HEAD ARGENTINE DELEGATION TO THE JULY CONSULTATIONS.

2. SEWARD'S REACTION WAS POSITIVE. HE SAID ARGENTINA AGREED PRIORITY SHOULD BE GIVEN TO STOCKS AT JULY MEETING AND SAID HIS DELEGATION WOULD BE PREPARED TO MOVE IN IMMEDIATELY IN SUPPORT OF US TO FOCUS ATTENTION ON STOCK PROBLEM.

3. SEWARD FELT MAJOR THRUST SHOULD BE TOWARD AGREEMENT IN PRINCIPLE, AND MEETING MUST AVOID GETTING BOGGED DOWN ON INTERMINABLE DISCUSSION OF DETAIL (E.G., WITH EACH COUNTRY PLEADING ITS SEPARATE CASE FOR A SLIGHTLY DIFFERENT VIEW OF THE VALUATION OF CARRYING COSTS). NEVERTHELESS, SEWARD FELT A COMMON DEFINITION OF WHAT COMPRISED "CARRYING COSTS" WAS IMPORTANT.

4. CONCERNING CONCEPT OF US PROPOSAL, SEWARD SAID THIS SHOULD BE GENERALLY ACCEPTABLE TO ARGENTINA (WHICH, HE SAID IS MORE FORTHCOMING ON STOCKS THAN OTHER EXPORTERS), LIMITED OFFICIAL USE

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ALTHOUGH, OF COURSE, THE PRECISE LEVEL OF STOCKS WOULD HAVE TO BE NEGOTIATED (EMBOFF GOT IMPRESSION SEWARD'S STARTING POINT WILL BE AT AROUND 2 MILLION TONS).

5. HE NOTED WITH APPROVAL THAT US PROPOSAL TO ASSIGN "STOCKHOLDING RESPONSIBILITY...PROPORTIONATE WITH QUOTA DISTRIBUTION" WOULD TEND TO PUT A DAMPER ON EXCESSIVE QUOTA ASPIRATIONS, THUS CONTRIBUTING TO AIM OF ACHIEVING REALISTIC QUOTAS. HE NOTED -- NOT WITHOUT A DEGREE OF SATISFACTION -- THAT THIS ALONG WITH VERIFICATION WOULD NOT MAKE THE CUBANS HAPPY.

6. CONCERNING OVERALL STRATEGY, SEWARD AGREED JULY CONSULTATION LIKELY TO SIGNIFY LAST CHANCE FOR A NEW ISA, AND HE PERSONALLY WOULD SEE LITTLE SENSE IN GOING BACK TO GENEVA IN SEPTEMBER IF NO PROGRESS MADE. HE DOES NOT EXPECT CUBANS TO CHANGE POSITION AND HE AGREED THAT WHILE US PROPOSAL MIGHT EVENTUALLY MAKE IT SIGNIFICANTLY EASIER FOR THE EEC, IT WOULD NOT BE REASONABLE TO EXPECT INSTANT EEC ENDORSEMENT AT THE JULY MEETING. IN SUM, SEWARD BELIEVES THE REST OF US SHOULD PRESS AHEAD, LEAVING CUBA AND EEC TO ACCOMMODATE SELVES TO WHATEVER

IS WORKED OUT BY OTHERS. SEWARD LEFT NO DOUBT THAT HE  
IS PERSONALLY QUITE PESSIMISTIC ABOUT THE OUTLOOK FOR  
SUGAR IF AGREEMENT IS NOT REACHED NOW ON A NEW ISA.

BREWSTER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, DIPLOMATIC DISCUSSIONS, FINANCIAL PROGRAMS, BONDS (SECURITIES), MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LONDON11782  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Legacy Key:** link1977/newtext/t19770748/aaaabovz.tel  
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**Litigation History:**  
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**Message ID:** 73911d68-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 LONDON 11562  
**Retention:** 0  
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**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1831349  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SUGAR -- CONVERSATION WITH ARGENTINE REPRE- SENTATIVE ON US STOCK PROPOSAL  
**TAGS:** EPAP, ETRD, US, AR, ISO  
**To:** STATE USOECD MULTIPLE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009